

**LMI ADVISORY GROUP
Thursday, July 18, 2002
Labor Market Information Division
7000 Franklin Blvd., Suite 1100**

Meeting Minutes

**PLEASE SEND ANY CORRECTIONS TO
BONNIE GRAYBILL BY OCTOBER 2, 2002, THANKS.**

Attendees:

Nelson Anthoine – North Central Counties Consortium
Dan Blake – CSU Northridge
Bert Cooper – California Department of Education
Ron Cubit – US Dept of Labor, Employment and Training Administration, San Francisco Regional Office
Doug Gray – California Employer Advisory Council (CEAC) and General Business Services
David Illig – Health and Human Services Agency
Megan Juring – CA Workforce Investment Board
Zoanne Laurente – California Post-Secondary Education Commission
Greg Marutani – PIC San Francisco
Jerry Nolan – EDD/ITB
Paul Ong- UCLA
Mary Kay Patton – Community Colleges
Janice Rhodd – CSU Chico
Joanne Severson – Board of Private Post Secondary Vocational Education
Steve Weiner - Southern California Association of Governments
Chuck Wiseley– Community Colleges

LMID:

Richard Holden – Chief,
Bonnie Graybill - ISG
Karen Cromwell – LMID
Tim Taormina – LMID
Brendan Kelly –CCOIS
Quentin Turner – Marketing and Research
Phil Hardiman – Research
Ahktar Khan – Research
Richard Kihlthau – Research
Beverly Burr – Research
John Milat – Research

Facilitator: Bonnie Graybill
Recorder: Lance Vayder

Welcome and Introductions

Bonnie welcomed the group and gave an update and overview of scheduled speakers. Richard Holden spoke briefly about the governor's order to move LMID into a new labor agency. He also mentioned that EDD has reorganized and LMID is now in a new branch called the Legislative Affairs and Labor Market Information Branch. There was an interest by the Governor's office and Health and Human Services Agency to have us closer to the Director's office. Our new Deputy Director is Barry Brewer.

Review of the Minutes: The minutes were accepted with no comments.

Brendan Kelly – CCOIS

Brendan discussed the national Benefits Information Consortium survey and handed out copies to all. The information being sought includes: rating the interest in information on benefits packages, the percentage of costs to employers and employees (for FT and PT), and who pays for what proportion of costs.

A three prong approach has been used to design the national system: to find out what is currently going on at the national level, to identify what the various states are doing to collect the benefit information, and to find out what the customers of labor market information need as far as benefits information. At this point the Consortium is assessing customer interest, and looking for input from our customers as well as those in other states. Brendan was asking Advisory Group members for their input, and will also distribute the survey to other LMID customers.

The 1st round of the survey will not be complex, and will not provide occupation specific benefits information. Other states are more employer focused, and are solely interested in the overall cost of benefits to employers by industry, rather than understanding the range of benefits for different employees.

Part of the workgroup's charter is to determine what is currently available and what is not available and close the gap.

The other states really are focused on employers and economic developers, trying to present this as total cost of compensation, not as a tool to help job seekers find employment.

Current information: California's California Cooperative Occupational Information System (CCOIS) operates survey programs in 33 regions covering the entire state of California. Questions are asked covering 8 or 9 benefits (medical care, dental care, sick leave, etc.). The information requested includes who pays what, is it shared or what the employer pays. Also asked is whether benefits are available to full-time and part-time employees.

This information is published each year in the Occupational Outlook Reports, which are available in print as well as online on the LMID website. The surveys are done at the county level. This could also be aggregated to state or regional reports, if policy makers need the information.

Comments/questions:

Zoanne Laurente –

‘Does this distinguish between employees at different levels, such as executive employees versus others?’

Answer: ‘California is the only state that has focused on the occupational data, all of the other states mainly focused on the industries’.

Chuck Wiseley –

‘What about the use of this information for, say, the college student?’

Answer: The CCOIS survey provides useful information on benefits for a student considering alternative careers, but this national survey would not provide specific enough information.

Zoanne Laurente –

‘What about a reluctance by private industry to give out information? Because they often consider it part of their negotiations, they do not want to share this information. What do you do for incentives to get a better return on the survey?’

Doug Gray – Agreed with Joanne's point that surveys take employers away from their normal business with no incentive.

Answer: It is a challenge. Have tried to encourage them by indicating that the information will benefit them in the long run. Some local partners have given out token gifts.

Joanne Severson –

Anytime you are dealing with a private institution paying above minimum wage, everything is negotiable. To find anything consistent or good from one year to the next, I would not put any stock in that information. What you get may be too broad to do anything with.

Greg Marutani– concerned with the data collected, but notes it is lacking in analysis, to really understand the importance of the data: how are fringe benefits changing? Is childcare an issue? Are employers getting the message? This may help employers to understand why they are not getting people to come to work (e.g. nursing shortages in San Francisco - Why are nurses leaving their jobs after two years?)

Paul Ong – Re perceived nursing shortages, do benefits/wage levels make a difference? There are really opportunities for this type of data.

Marketing and Outreach – Quentin Turner

Handouts: PowerPoint presentation, Product Development and Review Process summary, and article: “Turn Customer Input into Innovation”.

In this period of change with a new agency, a new branch, the key challenge is to effectively manage that change. The use of the Internet and E-government strategies is a key challenge. Bringing about the more efficient use of technologies, and changing how we do business at LMID. The work culture and environment will change, new skills will be needed, and the new site, Workforce Informer, will require LMID to develop content that is informative and useful for our customers. Part of the e-government strategy calls for us to become a more customer-centric organization. One on-line customer outreach method is the monthly LMID e-newsletter, which currently has 4,700 subscribers.

Quentin discussed the Product Development and Review Process (see handout). Main points included a need to bring customer input into the early stages of the concept development process. This can be done through focus groups, additional specialized surveys, and one-on-one meetings with key representatives of primary customer groups. The process is intended to ensure that we are carefully listening to our customers and getting customer input at the development and review stages.

In addition, we are revising the LMID marketing plan. The revision includes identifying where we are today with our marketing and customer outreach. This includes prioritizing key customer groups, information on specific products and services provided to these groups, identifying outreach and marketing efforts, and the roles and responsibilities of each of these concepts.

We also need to ask our customers what outcomes are they seeking? Quentin referenced and read from the article “Turn Customer Input into Innovation”. The bottom line of this article is that one’s orientation should be on what outcomes our customers are seeking. They do not have to invent the product or describe it, but tell us what outcome they would like to see. In addition, “lead users”, customers who have an advanced knowledge of our products, can offer ideas which may have limited appeal to less sophisticated customers.

He asked the Advisory Group to give us their ideas for better serving our marketing and customer outreach needs.

Comments and Questions:

Nelson Anthoine-“Local Workforce Investment Areas have often promoted LMI training. Anytime there is any training done on Labor Market Information, that is a great time to distribute information or surveys. Maybe even a good opportunity to solicit comments on a product under development. There are many groups (e.g.,

regional occupational programs, career assessment counselors) that should all be surveyed.

Paul Ong- “I would make three suggestions. One, do a comparative analysis with similar organizations. Two, also look at who are not your customers-- how do you get information from them? Looking only at your current customers you may go down a path that closes you off to other people. Three, for the surveys or focus groups, it can be good to have someone independent or separate conduct these for you.”

Doug Gray – What interaction are you having at LMID with EDD ‘s marketing affairs office? It seems they are not on the same track as to what you (Quentin) are doing.

Answer: Marketing and Constituent Affairs Section (MACs) has not recently held Department-wide Marketing meetings, but they do have interactions in other forms. We want to work closely with MACs wherever possible. There is a lot of room to better partner with them; they also come to us for ideas. They are in the process of revising their marketing plan, as we are. Rather than wait for them to complete their plan, we are proceeding with our revision. And when MACs does come out with a plan, we will revise our plan if necessary to be consistent with their plan—format is likely to be the only difference, since we are conceptually on the same page.

Zoanne Laurente – We would like to see a better quality in the proposals for academic planning that we review. The individuals who prepare them could benefit from LMID marketing so they would know all of the products or functions that LMID could provide. For example, recently, we did not approve two new law schools because they could not show sufficient demand to support the need of these schools. I think it would be a really good idea to make a connection at the post-secondary level, not just at the vocational and high school level, for you to know what kind of information that they need.

Zoanne recommended LMID contact the Program Review Committee or review their page on the CPEC web site. (www.cpec.ca.gov).

Dan Blake – Improving the product, specifically at the sub-county level, improving the accuracy at this level would be very helpful. Also, as a marketing tool, tell employers what types of responsive activities or programs this information supports, (i.e., directing colleges and community groups to sponsor training programs for businesses in the area).

Greg Marutani – The first question asked should be “Do you use this product?” Also, an introduction to LMID would be helpful. There are many who do not know the acronyms or terms used. Also, the LMID website is not easy to navigate. There needs to be an easier way to navigate through the site, and get into the right area and understand it.

Megan Juring – State Board Update

The next full California Workforce Investment Board meeting is set for September 19, 2002. Discussed at the last board meeting was the draft of the Strategic Plan for FY 2002-2003 (see Handout). Local area response was very favorable towards adopting it as a framework. This is not intended to be a replacement for the strategic 5-year plan for WIA, but rather a framework for the board's actions. The next iteration will be posted on the website www.calwia.org. This document addresses the goals of the workgroups.

The farm worker forums and the small business forums have concluded. A write-up of those activities and comments will also be posted on the website.

Senator Johnston's task force will be making recommendations to the Governor's office shortly. Some of those recommendations will include the performance based accountability (PBA) system in terms of the usability and timeliness of the data, also looking for systems integration solutions, data warehouse, data mart solutions, so information can get back to the program in a useable manner. They are currently developing the Information Technology Procurement Plan for a feasibility study to build a new PBA application.

The next PBA meeting will be in early September.

Comments and Questions:

Ron Cubit- is there any effort to include any faith-based organizations in the strategic plan?

Answer: Community-based organizations (CBO) include faith-based organizations in the broader description. (page 13 of handout)

Greg Marutani – Without the PBA mechanisms in place, how do we get the most timely relevant performance information? Also concerned with wording “remove barriers” in language. (As mentioned above, the State board is working on getting a more usable report system in place.)

Phil Hardiman Update – LMID Research

Several handouts were available.

Introduced staff to committee.

Richard Kihlthau discussed a study on Teacher Mobility.

Labor Supply analysis

Supply/demand relationships

Discussed CalJOBS number of open positions and resumes in the automotive trades.

Phil Hardiman discussed the Longitudinal Employer-Household Dynamics Program. New measures of employment used for this program include employment by end of quarter and full quarter employment, turnover measures (accessions, separations, new hires), job gains and losses, and average earnings from the wage files. Phil discussed results for employment, accession, and separations in the Health Services Industry (Handout).

John Milat gave a summary of the Johns Hopkins Study on the economic impact of non-profit organizations. Non-profit employment was approximately 7% of total private sector employment. The average wage for these employees was about 23% lower than the average wage for employees in all other industries. The median wage was about \$4900 per quarter. By size of firms, employment and wages paid are heavily dominated by the largest employers, particularly hospitals. Almost 2/3 of non-profit businesses employed less than 10 employees. The larger firms (250 employees or more) comprise 2.5% of the number of non-profit businesses, but employed almost 60% of the workers and paid almost 2/3 of the wages. Hospitals with more than 1000 employees employed almost 25% of all non-profit workers, and paid 30% of all wages.

There are approximately 220,000 non-profit organizations registered with the California Secretary of State. Also, 86,000 non-profits are registered with the California Attorney General. In contrast, there are approximately 22,000 nonprofit businesses that were covered by Unemployment Insurance (UI). A further research question would be: how much employment is there in these other organizations?

Question: What kind of organization is included in these other 200,000 organizations?

Answer: They could be anything from art groups, school groups, parent-faculty clubs, and churches.

Richard Kihlthau gave a presentation (PowerPoint handout) on a Teacher Mobility study. Preliminary results of First Credentialed teachers (the first year after being credentialed) matched with the wage records showed that five to six percent, over the last four years, are not in California's UI covered employment. One restriction is that someone may be working for the federal government, working out of state, etc. In addition, there is another five to six percent that are credentialed in the first year after getting credentialed that are not working for a California public education system, 9 to 10 percent in the second year, and 12 to 13 percent in the third year after earning their credential. Other industries in which credentialed teachers are employed in included private ownership educational services, other government, business, and social services.

Ahktar Khan began a presentation based on their recent article *Growth and Employment: Moving Up? Earnings Mobility in California*, published in the California Policy Review. Discussion was on the Wage Mobility in California from 1988 to 2000. This was examined with a matched longitudinal sample of workers in all 4 years

(1988, 1992, 1996, and 2000), and a cross sectional sample in these 4 years. Looking at a cross section of employees, a decline in earnings occurs over time. However, when looking longitudinally at the same employees over the 12 years, median earnings rose by 24 percent. Median annual earnings increased the most in the lowest quintile. Due to shortage of time Ahktar was unable to complete his presentation, but the study is available on the www.calmis.ca.gov web site for interested readers.

Economic Update – Tamara Garcia/ Paul Wessen

Paul discussed the current economic condition. Officially we are still in a recession. On the down side, there has been less investment in business. On the positive side, consumer spending and the housing market have been up. The number of new jobs has not shown a significant change. In the near future, we anticipate a minimal drop in job growth in 2002, a 2.0 – 2.5 % growth in 2003, and a 2.3 to 2.9% growth rate in 2004. Basically, a modest growth rate is forecast over the next three years. The unemployment rate will stay about 6.3 to 6.5% for 2002, between 5.7 and 6.3 for 2003, and between 5.3 and 6.1 for the year 2004. Unemployment as a result of the 9-11 event is included, not traced separately, from the overall general recession.

Next Meeting – October 9, 2002

Agenda Items

- State of the State Update
- Phil Hardiman – Research
- Labor Agency change
- New Website information/tour

Meeting Critique

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Economic Update
Research
Participation
Marketing and Outreach
New members attending

Parking good but on wrong side of
the parking lot!!
Still no State of the State report